



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Sen. Chuck Grassley  
Hearing, "Strategies to Improve Access to Medicaid Home and Community-Based Services"  
Wednesday, April 7, 2004

Good morning. This hearing will come to order. Let me start by extending a special thanks to the witnesses for their participation in today's important hearing. And, I'd like to give special thanks to those who traveled long distances to be here today, including two Iowans -- Diane Findley and Ray Gerke. The purpose of today's hearing is to review proposals to improve access to Medicaid Home and Community Based Services. One of these proposals is the President's New Freedom Initiative. Another is the Medicaid Community-Based Attendant Services and Supports Act of 2003, also known as the MiCASSA bill. We will hear about aspects of both of these proposals today.

The President first announced the New Freedom Initiative over two years ago. Since that time, government agencies have been busily working together to find new ways to improve services we refer to as "home and community based services." Today, we'll take a close look at the various programs laid out in the initiative. One demonstration would allow individuals who choose to live at home or in the community to make decisions about not only where they are going to live but also how their care is delivered. This is known as "Money follows the Person."

Another concept in the initiative would allow individuals who rely on family caretakers the chance to receive respite care. The respite demonstration recognizes that individuals who receive care and their caretakers occasionally need to step away from their respective roles. A third demonstration would test a proposal to offer community-based services to children residing in psychiatric residential treatment facilities. Finally, we will discuss the importance of providing additional supports to those who choose the career of a direct care worker. Like nurses, direct care workers are becoming a scarce resource.

Each of today's witnesses brings a unique background to the issue. The collection of their individual experiences and perspectives will help us better understand the home- and community based service system. For instance, the community-based services demonstration for children receiving care in psychiatric residential treatment facilities draws attention to an issue that I continue to defend. Current law does not allow states to offer Medicaid home- and community-based services as an alternative to inpatient psychiatric care. Susan, a single mother from Harlan, Iowa, described her frustration trying to keep her family together. Her son, Colton, has been diagnosed with bi-polar disorder and depression and is developmentally delayed. One of his biggest fears is having to leave his mom. Susan feels she is willing and able to care for him at home if she gets the supports

and services at her community level. The lack of covered home- and community-based supports means that some parents face the impossible decision of relinquishing custody of a child to a state institution so their child can get necessary, life-saving services.

A provision in the Family Opportunity Act, which is legislation I sponsored for the past three Congresses, recognizes the hardship that families face in caring for a child with a mental health illness. Under my bill, families will no longer have to give up their child. These families deserve understanding and compassionate public policy that addresses the special needs of caring for a child with mental illness.

As we consider recommendations regarding the direction of future policy-making, it's important to keep in mind the legislative history in this area. Like Medicare, the Medicaid program was first enacted in 1965. Our nation's service delivery system was vastly different at that time than it is today. Thanks to the dedicated advocacy of consumers and their family members, our long-term care system has seen major improvements over the years. That's not to say that our work is finished. Far from it. Unfortunately, the demand for home- and community-based services exceeds current capacity. States, providers, and many others have made great strides in building capacity in consumer demand, but many challenges remain. It's also important to note that not all consumers want to be cared for in their homes. For instance, nearly one million frail elderly citizens are currently cared for in a nursing home.

The elderly and people with disabilities and their families deserve a choice. They should have the ability to choose whether they prefer to live in the community or in a facility. Home- and community-based services consist of a vast array of services. The system is complicated whether you are on the inside or the outside. Consumers of the system are the best judge of how well a system is working. I welcome their input and suggestions on how to shape current or new policies. The overarching goal of our hearing today is to further understand the kinds of successful, cost-effective and consumer-friendly systems of providing home- and community-based services to Medicaid beneficiaries.